

**Charter School Facilities Program
 Proposition 51 Funding Round
 Staff Summary Report – June 2023
 Item 8 - Resolution 23-26**

Applicant/Obligor:	San Diego Unified
Project School:	San Diego Global Vision Academy
CDS (County – District – School) Code:	37-68338-0121681
School Address/Proposed Site:	3430 School Street, San Diego, CA 92116
Type of Project:	Rehabilitation
Type of Apportionment:	Final
County:	San Diego
District in which Project is Located:	San Diego Unified
Charter Authorizer:	San Diego Unified
Total OPSC Project Cost:	\$6,323,662
State Apportionment (50% Project Cost):	\$3,161,831
Local Matching Share Lump Sum:	\$3,161,831
Total CSFP Financed Amount:	\$0
First Year of Occupancy of New Project:	FY2019-2020

Staff recommends that the California School Finance Authority (Authority or CSFA) Board determine that San Diego Unified (District or SDUSD) on behalf of San Diego Global Vision Academy (School or SDGVA) is financially sound for the purposes of Charter School Facilities Program (Program or CSFP) Final Apportionment. This determination, as it relates to Final Apportionment, shall remain in effect for twelve months and assumes no financial, operational, or legal material findings within this time period. This recommendation is contingent upon SDUSD fulfilling the Program local matching share requirement by providing a lump sum in the amount of \$3,161,831, pursuant to Sections 17199.4 and 17078.57(a)(1)(A) of the Education Code. Staff recommends that the CSFA Board direct staff to immediately notify the Office of Public School Construction (OPSC) and the State Allocation Board (SAB) regarding this determination.

Application Highlights: Below staff highlighted key criteria evaluated when conducting the financial soundness review for SDGVA. Detailed information is contained in the body of the report:

Criteria	Comments
Demographic Information	In 2021-22, SDGVA had a total enrollment of 418 students across grades K-8; the average daily attendance (ADA) rate was 89.8%, and the Unduplicated Pupil Percentage (UPP) of ADA was 68%.
Origin of Lump Sum	SDUSD will satisfy the local matching share requirement by drawing from local school bond proceeds. All contracts associated with the SDGVA facility rehabilitation project, totaling approximately \$9 million, were complete as of September 2020.
Eligibility Criteria	SDGVA has met all eligibility criteria: (1) SDGVA commenced operations in 2010; (2) SDGVA’s charter is in place through June 30, 2025; (3) SDGVA is in good standing with its chartering authority, and in compliance with the terms of its charter.
Student Performance	SDGVA students consistently perform as well or better than demographic peers in their local district based on California standardized testing (CAASPP).

Program Eligibility: SDUSD has confirmed that as of March 10, 2023, SDGVA is in compliance with the terms of its Charter Agreement, has no pending or outstanding Notices of Violation, and has no unresolved or outstanding Notices of Intent to Revoke.

Legal Status Questionnaire: Staff reviewed the applicant’s responses to the questions contained in the Legal Status portion of the application. No information was disclosed that would lead staff to question the financial or legal integrity of this applicant.

Project Description: The project will update and upgrade the facilities located at 4672 35th St., San Diego 92116. Major elements of the project include the demolition of old, temporary, partitioned bungalows, to be replaced with three new buildings—a classroom building, a multi-purpose building, and an administrative building. In addition to the new buildings, this project will modernize various utility and safety subsystems at the site, including potable water, irrigation water, sewer drainage, storm drain, gas, and electrical.

School Organizational Information: SDGVA is governed by the Board of Directors of San Diego Global Vision Academy (Board) in accordance with its adopted corporate bylaws, which shall be consistent with the terms of its charter. The Board has a legal fiduciary responsibility for the well-being of the SDGVA. The Board shall consist of no less than five (5) and no more than (7) directors, of which SDGVA will include at least one (1) parent or legal guardian or grandparents of SDGVA students. SDGVA’s current Executive Director is Ms. Christine Kane.

Staff have reviewed the credentials of key board members and administrative staff and determined all have the proper background and experience to govern and effectively oversee the operations of SDGVA. The 2022-23 SDGVA Board includes the following individuals:

2022-23 San Diego Global Vision Academy Board of Directors

Name	Position	Term
Matt Jawlik	Chairperson	2020-2023
Marisa Chaniot	Member	2022-2025
Elizabeth Lonnecker	Member	2022-2025
Britney Miller	Member	2022-2025
Jacob Ruth	Member	2020-2023

School Academic Performance: The following tables represent the recent academic performance of SDGVA; a similar local P-5 school, Adams Elementary; a similar local middle school, Wilson Middle; and the SDUSD. Results are provided through CDE’s CAASPP Smarter Balanced testing data. Percentages represent students who met or exceeded performance standards.

**2019–20 results are not available due to the suspension of testing as a result of the novel coronavirus disease 2019 (COVID-19).*

***In order to protect student privacy, data is suppressed because 10 or fewer students tested.*

English Language Arts Achievement

	FY17	FY18	FY19	FY20	FY21	FY22
SDGVA	57%	60%	59%	*	**	64%
Local P-5	41%	34%	38%	*	**	37%
Local Middle	29%	30%	33%	*	**	30%
District	56%	56%	57%	*	**	53%

Mathematics Achievement

	FY17	FY18	FY19	FY20	FY21	FY22
SDGVA	40%	47%	52%	*	**	40%
Local P-5	37%	34%	35%	*	**	20%
Local Middle	15%	17%	19%	*	**	11%
District	46%	47%	48%	*	**	41%

Enrollment Trends and Projections: The table below presents enrollment and average daily attendance information for SDGVA from FY 2020 through FY 2028. The assumptions made in the projected years are considered reasonable by staff and consistent based on historical data.

SDGVA Student Enrollment and Average Daily Attendance

Year (FY)	2020	2021	2022	2023	2024	2025	2026	2027	2028
Enrollment	410	430	418	417	432	432	432	432	432
ADA (%)	95.8	91.4	89.8	93	96	96	96	96	96

Financial Analysis: When evaluating a project wherein the local matching share will be satisfied by a lump sum, rather than evaluating debt service coverage (as in the case of a state loan), staff seek to determine: 1) whether the school is being managed in a responsible and sustainable manner; and 2) the origin and availability of funds set aside for the local matching share.

Financial Data Sources: This financial analysis is based on the consideration and review of the following for SDGVA: (1) audited financial statements for FYs 2019-20 through 2021-22; (2) approved budget for FY 2022-23; and (3) projections for FYs 2023-24 through 2027-28 along with assumptions.

Assumptions: Staff’s financial analysis of SDGVA is based upon the following assumptions: (1) provision of the local matching share by SDUSD as a lump sum in the amount of \$3,161,831; (2) school enrollment and ADA projections as provided above under Enrollment Trends and Projections.

Long-Term Liabilities: Staff do not foresee any significant long-term liabilities. Additionally, applicants are required to notify the Authority before taking on additional debt that exceeds certain thresholds.

Benchmark Summary and Analysis: The following table and summary listing sets forth the results of staff’s analysis regarding SDGVA’s financial soundness. Where a threshold has been established based on industry standards or practice, the listing indicates whether or not the threshold was met.

OPERATIONAL, FINANCIAL & STUDENT PERFORMANCE METRICS											
	Actual FY 2020	Actual FY 2021	Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	AVERAGE	THRESHOLD LEVEL
OPERATIONAL & FINANCIAL											
Enrollment	410	430	418	417	432	432	432	432	432		
Average Daily Attendance (ADA)	393	393	375	388	415	415	415	415	415		
Average Daily Attendance (%)	95.8%	91.4%	89.8%	93.0%	96.0%	96.0%	96.0%	96.0%	96.0%	94.4%	< 94.0%
FTE Teachers	24	24	24	24	25	25	25	25	25	25	
Pupil-Teacher Ratio	17.1	17.9	17.4	17.4	17.3	17.3	17.3	17.3	17.3	17.4	> 25.0
LCFF Sources/ADA	\$ 9,516	\$ 9,804	\$ 10,604	\$ 10,972	\$ 11,717	\$ 12,053	\$ 12,504	\$ 12,663	\$ 12,917	\$ 11,417	
% Change		3.0%	8.2%	3.5%	6.8%	2.9%	3.7%	1.3%	2.0%	3.9%	
Operating Revenues/ADA	\$ 12,542	\$ 12,933	\$ 14,870	\$ 15,628	\$ 14,086	\$ 14,352	\$ 15,142	\$ 15,302	\$ 15,557	\$ 14,490	
% Change		3.1%	15.0%	5.1%	-9.9%	1.9%	5.5%	1.1%	1.7%	2.9%	
Operating Expenses plus CSFP Lease/ADA	\$ 12,292	\$ 13,058	\$ 14,787	\$ 15,620	\$ 13,938	\$ 14,321	\$ 14,699	\$ 15,080	\$ 15,480	\$ 14,364	
% Change		6.2%	13.2%	5.6%	-10.8%	2.7%	2.6%	2.6%	2.6%	3.1%	
Free Cash Flow/ADA	\$ 251	\$ (125)	\$ 83	\$ 8	\$ 148	\$ 31	\$ 443	\$ 222	\$ 77	\$ 127	< 0
DEBT SERVICE COVERAGE											
Total Operating Revenues	\$ 4,928,002	\$ 5,081,690	\$ 5,580,941	\$ 6,063,538	\$ 5,841,701	\$ 5,952,148	\$ 6,279,595	\$ 6,346,013	\$ 6,451,644		
Total Operating Expenses	4,829,460	5,130,625	5,549,617	6,060,495	5,780,268	5,939,106	6,095,798	6,254,123	6,419,833		
Total Other Sources/Uses	-	-	-	-	-	-	-	-	-		
Net Income Available for CSFP Lease Payment	98,542	(48,935)	31,324	3,043	61,433	13,042	183,797	91,890	31,811		
Add Back Capital Outlay	-	-	-	-	-	-	-	-	-		
Add Back Depreciation	-	-	-	18,693	18,812	12,954	10,964	9,380	8,976		
Adjusted Net Income Available for CSFP Lease Pymt.	98,542	(48,935)	31,324	21,736	80,245	25,996	194,761	101,270	40,787		
CSFP Lease Payments	-	-	-	-	-	-	-	-	-		
Free Cash Flow	\$ 98,542	\$ (48,935)	\$ 31,324	\$ 21,736	\$ 80,245	\$ 25,996	\$ 194,761	\$ 101,270	\$ 40,787	\$ 60,636	< 0
LIQUIDITY											
Current Assets	\$ 2,743,822	\$ 3,049,563	\$ 3,549,659								
Current Liabilities	265,903	493,346	967,963								
Net Working Capital	\$ 2,477,919	\$ 2,556,217	\$ 2,581,696								
Net Working Capital/Oper. Expenses	51.3%	49.8%	46.5%							49.2%	< 5.0%
Unrestricted Cash & Cash Equivalents	\$ 2,093,426	\$ 2,133,169	\$ 2,654,315								
Unrest. Cash & CE/Oper. Expenses (Days)	158	152	175								
Unrest. Cash & CE/All Expenses (Days)	158	152	175							162	< 90

Benchmark Summary:

- Enrollment – ADA consistently exceeds target threshold of 94% despite temporary decline during pandemic years consistent with state-wide trends.
- FTE Teachers – Pupil-teacher ratio consistently resides below maximum target of 25.
- Free Cash Flow and/or per ADA – School operates with historically positive cash flow, persisting even through statewide trends of decreased enrollment and increased expenses associated with the COVID-19 pandemic and ongoing recovery.
- Liquidity – SDGVA liquidity metrics are strong. Official audits reflect over 49% ratio of net working capital to operational expenses, and 162 days of operating expenses sustainable by unrestricted cash and equivalents.
- Local Match – SDUSD has provided documentation certifying contracts worth over \$9 million dedicated to the SDGVA facilities project have already been fulfilled. These funds, sourced from multiple local bond measures passed by voters between 2008 and 2022, exceed the required local match amount.

Staff Recommendation: Staff recommends that the California School Finance Authority (CSFA) Board determine that San Diego Unified (SDUSD) on behalf of San Diego Global Vision Academy (SDGVA) is financially sound for the purposes of this Charter School Facilities Program (CSFP) Final Apportionment. This determination, as it relates to Final Apportionment, is in place for twelve months and assumes no financial, operational, or legal material findings within this time period. This recommendation is contingent upon SDUSD fulfilling the Program local matching share requirement by providing a lump sum in the amount of \$3,161,831, pursuant to Sections 17199.4. Staff recommends that the CSFA Board direct staff to immediately notify the Office of Public School Construction and the State Allocation Board regarding this determination.